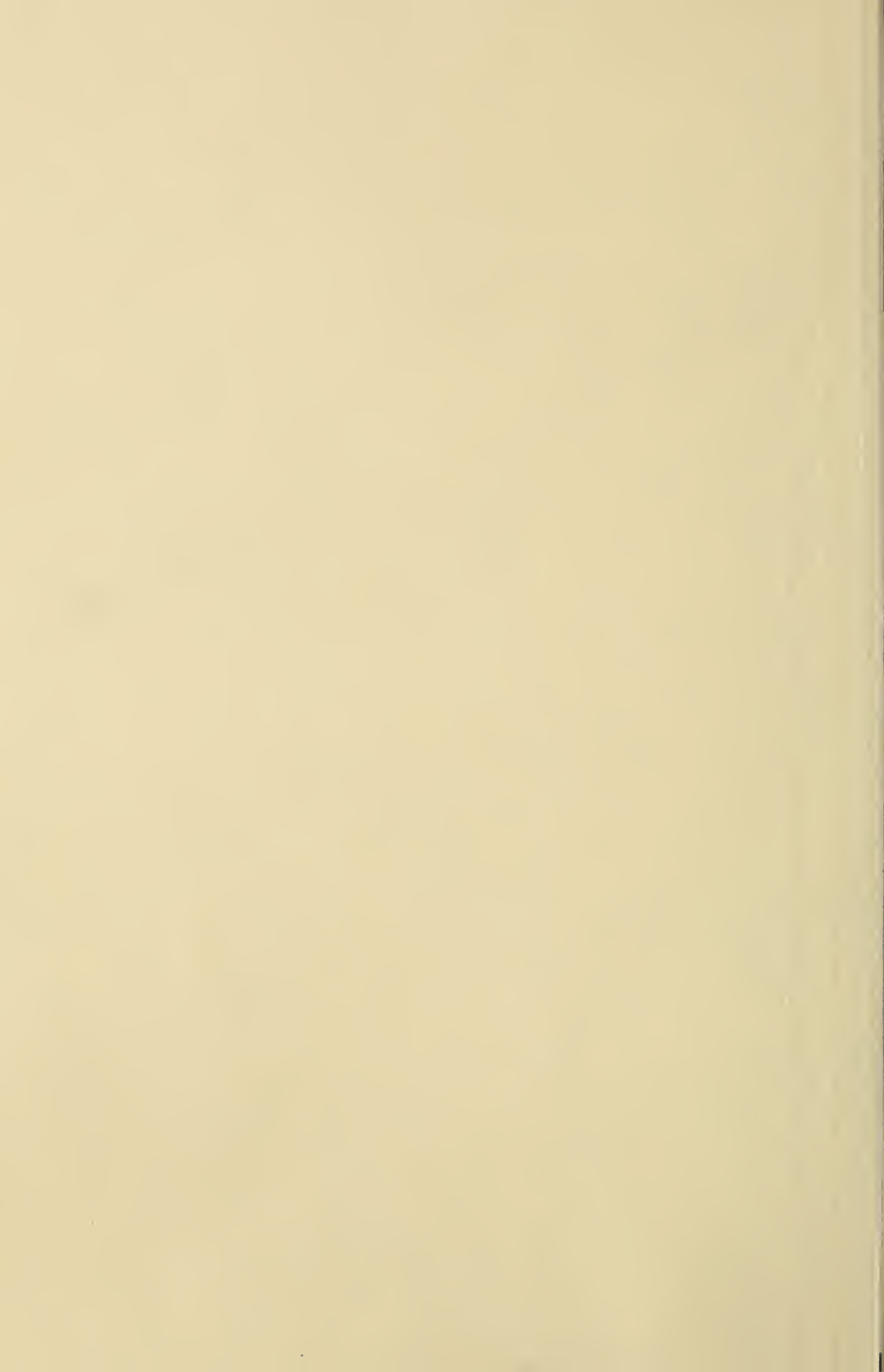


Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.



1 Ag 84 pro #867
Cop. 2

HOW TO FIGURE THE DOLLAR COST OF CREDIT



U. S. DEPT. OF AGRICULTURE
NATIONAL AGRICULTURAL LIBRARY

SEP 13 1968

CURRENT SERIAL RECORDS



HOW MUCH DOES IT COST YOU TO USE CREDIT?



You pay money to use credit. Before you buy “on time” or borrow money, find out how much it will cost you.

To Figure the Dollar Cost of Credit

1. Multiply the amount of each payment by the number of payments you will make.
2. Add the down payment to your answer.
3. Subtract the cash price, including the sales tax. The answer is what you pay for credit.

Use this example to learn how to figure the dollar cost of credit: You want to buy a refrigerator. It would cost \$290 (price plus tax) if you paid cash for it. You plan to make a down payment of \$30. You say you will make 18 monthly payments of \$16.50.

STEP 1

Multiply the amount of each payment \$16.50
by the number of payments. $\times 18$

$$\begin{array}{r} \text{cents.} \quad \quad \quad \times 18 \\ \hline 13200 \\ 1650 \\ \hline \text{Answer: } \$297.00 \end{array}$$

STEP 2

\$297.00

Add the down payment to your answer. 30.00

This gives the total amount
you will pay. \$327.00

STEP 3

	\$327.00
Subtract the cash price from the “on time” price	− 290.00

This is how much more you pay to
buy “on time”. \$ 37.00

Keep this leaflet. The next time you plan to buy “on time”, use the numbers the store clerk gives you to fill this in. See what it will cost you to use credit. Check with more than one store for the best buy.

_____ monthly payments at _____ each . . . _____

Add your down payment _____

Total “on time” price _____

Subtract cash price _____

How much it costs you to use credit _____

Always know how much credit costs!

Issued April 1968

☆ U. S. GOVERNMENT PRINTING OFFICE : 1968 O - 296-192

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402 - Price 10 for 25 cents; \$2.50 per 100